

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MODIFICATIONS TO LOUISVILLE GAS AND)	
ELECTRIC COMPANY'S GAS SUPPLY CLAUSE TO)	CASE NO. 97-171
INCORPORATE AN EXPERIMENTAL)	
PERFORMANCE-BASED RATEMAKING MECHANISM)	

O R D E R

On April 1, 1997, Louisville Gas and Electric Company ("LG&E") filed an application with the Commission to modify its gas supply clause to incorporate an experimental performance-based ratemaking mechanism for natural gas to become effective on and after May 1, 1997.

The Commission finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed rates and that such proceedings cannot be completed prior to the proposed effective date.

IT IS THEREFORE ORDERED that:

1. The proposed rates are suspended for 5 months from May 1, 1997 up to and including September 30, 1997.
2. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.
3. The procedural scheduled set forth in Appendix A, attached hereto and incorporated herein, shall be followed in this case.

Done at Frankfort, Kentucky, this 30th day of April, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 97-171 DATED APRIL 30, 1997

All requests for information to LG&E shall
be filed no later than 05/16/97

LG&E shall file responses to
the requests for information no later than 06/04/97

All supplemental requests for information (to
include only those matters within the scope of
the initial requests) to LG&E shall be
filed no later than 06/11/97

LG&E shall file responses to
supplemental requests for information
no later than 06/18/97

Intervenor testimony, if any, shall be filed
in verified prepared form no later than 07/02/97

All requests for information to Intervenor
shall be filed no later than 07/16/97

Intervenor shall file responses to
requests for information no later than 07/30/97

Last day for LG&E to publish notice
of hearing date 08/12/97

Public Hearing is to begin at 10:00 a.m., Eastern
Daylight Time, in Hearing Room 1 of the Commission's
offices at 730 Schenkel Lane, Frankfort, Kentucky,
for the purpose of cross-examination of witnesses
of LG&E and witnesses of the Intervenor 08/19/97